

REMARKS

In response to the above-identified Final Office Action, in conjunction with the Request for Continued Examination and in view of the above amendments, Applicant respectfully requests reconsideration in view of the following remarks. Applicant amends claims 1, 4, 7, 8, 9, 11, 14, 15, 17, 18, 19, 31, 38, 41, 58, 68, 73, 74, 88, 89, 90 and 92-95. Applicant and adds claims 96-107. Accordingly, claims 1-107 remain pending in the application of which claims 21, 22 and 29 are withdrawn from consideration.

I. Information Disclosure Containment

Applicant has provided herewith a new PTO-1449 form listing one of the two references that the Examiner had indicated as defective along with a new copy of the listed document. The Examiner indicated on page 2 of the final Office Action mailed September 21, 2006 that it would enter these references and waive any fee necessary to do so. The other document previously listed was determined not to be a prior art reference after further review. An error in the www.archive.org data made it appear that the present www.homedepot.com webpage was published before the present application. This error was detected during the preparation of this response. Accordingly, we have not resubmitted this reference.

II. Claims Rejected Under 35 U.S.C. § 103

Claims 1-20, 23-28 and 30-95 stand rejected under 35 U.S.C. § 103 as being unpatentable over U.S. Patent No. 6,868,525 issued to Szabo (hereinafter “Szabo”) in view of U.S. Patent No. 6,571,279 issued to Herz et al. (hereinafter “Herz”).

To establish a *prima facie* case of obviousness the Examiner must show that the cited references, combined, teach or suggest each of the elements of the claim. In regard to claims 1 and 11, these claims each contain the elements of “ranking the plurality of bids according to a

criterion for each location and fixed time slot combination.” Applicant does not believe that Szabo teaches or suggests this element of claims 1 and 11. The Examiner acknowledges that Szabo “does not teach that the received bids are associated with time or location factors” (emphasis in original). See page 3 of the final Office Action. Instead the Examiner relies on Herz as teaching these elements of claims 1 and 11. The Examiner cites col. 5, lines 22-23 and col. 11, lines 54-57 in support of this assertion. The cited section of Herz and Herz in general discuss the selection of an advertisement to be displayed in response to the detection of an individual in proximity to a display such as an electronic billboard where the advertisement is selected based on advertiser price functions and desirability estimates for the individuals that are present. See Herz col. 4, line 49 through col. 5, line 34. Thus, the advertisement content displayed based on the system of Herz changes as the individuals near a display change and is not scheduled into fixed time slots. Further, Herz does not generate a ranking for each location and fixed time slot combination. Rather, rankings are only generated based on the detection of the location an individual or the detection of the individual being in proximity to a display. Thus, determination of ad content to be displayed is dynamic and can change at any given time. This dynamic change cannot be characterized as a fixed time slot. Further, the determination of ad content is not carried out for each possible location and fixed time slot combination. Thus, Applicant believes that Herz does not cure the defects of Szabo and that the combination of Szabo and Herz does not teach or suggest each of the elements of claim 1.

Further, Applicant does not believe that the combination of Herz and Szabo is proper. The Examiner asserts that it would have been obvious to one of ordinary skill in the art to combine Herz with Szabo to optimize information delivery or maximize revenue. However, one of ordinary skill in the art would not think to combine the teachings of Herz with Szabo because

the teachings of Herz that the Examiner seeks to combine with Szabo require the addition of elaborate tracking technology to determine the location of individuals that the content is targeted toward and would be inappropriate for use in the context of Szabo which is directed towards graphic user interfaces and information retrieval systems such as search engines which one of ordinary skill in the art would understand are typically used in home or work spaces where such tracking systems would not be appropriate. See generally Szabo col. 1, lines 1-9 and lines 47-65.

The system of Herz relies on each targeted individual to have a “beacon.” See col. 6, lines 34-47. The addition of such an elaborate user detection system changes the fundamental operating principle of Szabo which is predicated on the conventional use of home and work computers where an individual is accessing a search engine. See MPEP § 2143.02 IV The Proposed Modification Cannot Change The Principle of Operation of a Reference. Thus, Applicant believes that the Examiner has not properly combined Herz and Szabo to teach the elements of claims 1 and 11. Accordingly, Applicant believes that Szabo cannot be combined with Herz to teach or suggest each of the elements of claim 11. Reconsideration and withdrawal of the obviousness rejection of these claims are requested.

In regard to claims 2-10, 12-21, 22-28 and 30-95 these claims depend from independent claims 1 and 11 and incorporate the limitations thereof. Thus, at least for the reasons mentioned above in regard to independent claims 1 and 11 these claims are not obvious over Szabo in view of Herz.

Further, in regard to claims 10, 20, 47, 52, 53, 77, 82 and 83 Applicant respectfully traverses the Examiner’s taking of Official Notice that “the interactive television using matrix based hierarchical navigation... was well known at the time of the invention.” The Applicant respectfully requests that the Examiner substantiate this assertion because the Applicant does not

believe that these facts are not “capable of instant and unquestionable demonstration as being well known,” as required by MPEP § 2144.03(a). Further, the Applicant believes that the Examiner has not properly provided motivation for combining the facts which he takes Official Notice of with the cited references. The Examiner argues that “because it is obvious to use the well known, it would be obvious to one ordinary skill in the art, at the time of the invention, to add this limitation to the teachings of the references cited above.” This is not the proper standard for establishing motivation to combine. The Examiner must show that there is some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or combine the reference teachings. See MPEP § 2143. Under the Examiner’s rationale of “obvious to use the well known,” it would have been obvious to combine the cited references with a bicycle, which was well known at the time of the invention. Clearly such a combination would not be obvious and this illustrates why the rationale relied upon by the Examiner is inappropriate.

In regards to the rejection of claims 25, 28, 39, 41, 45, 46, 48, 50, 54-57, 69, 71, 75, 76, 78, 80 and 84-87, the same inappropriate rationale has been used to combine the facts which the Examiner asserts Official Notice of with the cited references. Thus, the Examiner has not established a *prima facie* case of obviousness for these claims. Further, the Applicant takes issue with the Examiner’s assertion that the Official Notice was not traversed in response to the prior Office Action and notes that the Examiner has failed to properly explain, as is required under 2144.03(c) why the traversal was inadequate. The Applicant’s prior response to Office Action traversed rejections of the independent claims. Applicant should not be required to directly address each of the dependent claims as their patentability can be established based on the independent claims. Forcing the Applicant to discuss each dependent claim when the

independent claim has been argued unnecessarily forces the Applicant to generate prosecution history regarding these claims and undermines the ability of the Applicant to obtain the broadest scope of protection for his invention.

Further, each of the dependent claims was amended, directly or indirectly by amendment of the claims or the independent claims. Consequently, the claimed limitations of each of these claims changed from that which the Examiner took Official Notice of. Thus, it is inappropriate to take the position that the Applicant has admitted that any aspect of the claims are admitted as prior art. Therefore, the Applicant respectfully requests that the Examiner substantiate his taking of Official Notice for the elements of these claims as they now stand.

The Applicant also believes that the facts that the Examiner is attempting to take Official Notice of facts that are not “capable of instant and unquestionable demonstration as being well known,” as required by 2144.03(a). Thus, the Examiner cannot rely on the Official Notice of the previous Office Action as being admitted prior art. Accordingly, Applicant requests reconsideration and withdrawal and the obviousness rejection of claims 2-10, 12-20, 23-28 and 30-95.

III. New Claims

Applicant has added new claims 96-107, which depend from claims 1 and 11 and are patentable at least for the reasons mentioned in regard to claim 1. However, the Applicant encourages the Examiner to closely read these claims as the Applicant believes they contain additional elements that are not taught or suggested by the cited references.

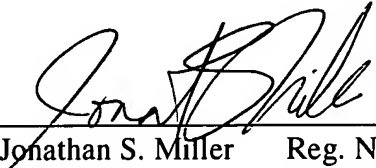
CONCLUSION

In view of the foregoing, it is believed that all claims now pending, namely claims 1-107 patentably define the subject invention over the prior art of record, and are in condition for allowance and such action is earnestly solicited at the earliest possible date. If the Examiner believes that a telephone conference would be useful in moving the application forward to allowance, the Examiner is encouraged to contact the undersigned at (310) 207 3800.

Respectfully submitted,

BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN LLP

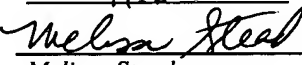
Dated: _____, 2006


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I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Mail Stop Amendment; Commissioner of Patents, P.O. Box 1450, Alexandria, Virginia 22313-1450:

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Melissa Stead Date 11-6-06